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ABSTRACT

Welfare reform is directed toward development of programs that focus on work. Of major consequence to this move toward welfare reform are misconceptions about welfare recipients. While some can work, fewer than 10 percent of all recipients would be subject to any work requirement, and while many remain on welfare for extended periods, one-half of all recipients receive benefits for two or fewer years. The general consensus is that the greatest benefits are achieved by focusing attention on welfare recipients and their children who have been on welfare for extended periods. Costs are significantly greater and longer periods are required to serve long-term recipients, but the greatest cost savings accrue to the welfare system when this group is served. Traditional mandatory Workfare approaches by welfare-to-work programs are giving way to more innovative approaches that seek to serve limited numbers of persons and to minimize mandatory participation requirements. Limitations on numbers served are due to cost considerations and the recent recognition that supportive services (child and health care and transportation) as well as job placement are needed to keep welfare recipients on the job. (YLB)

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Welfare-to-Work: Options Through Job Training

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Employment and Training Issues

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Welfare-to-Work: Options Through Job Training

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Prepared for the
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WELFARE-TO-WORK:
OPTIONS THROUGH JOB TRAINING

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PREFACE

The National Association of Counties (NACo) is pleased to publish this Issue Paper entitled "Welfare-to-Work: Options through Job Training". It is likely that in the near future there will be substantial movement toward reform of the present welfare system. The mounting federal budget deficit, the perception by many Americans that too much of the budget is spent for welfare and the belief that all able-bodied persons should work are just some of the factors that will contribute to the impetus for reform.

The national debate on welfare reform has begun. Many members of Congress are submitting welfare reform legislation. The Reagan administration is in the process of developing its welfare reform package, which it is calling Greater Opportunities through Work or GROW. Demonstration projects at the state and local levels are operating.

We at the National Association of Counties believe that in order to have an informed debate about welfare and its reform it is necessary to have the facts. Public interest groups, like NACo, are exploring alternatives to the current welfare system through task forces and research efforts. We believe that this Issue Paper by Morton H. Sklar will provide you with some important information on the characteristics of recipients, their needs and the approaches some states and counties are taking to meet those needs.

This paper was sponsored by NACo's Training and Employment Programs, through a grant from the US Department of Labor Employment and Training Administration. This paper does not reflect, necessarily, the views or opinions of the National Association of Counties, its Training and Employment Programs or the US Department of Labor.

This paper is meant to stimulate discussion within the employment and training community. We would appreciate your comments on this paper. Please address your comments to Neil E. Bomberg, Research Associate and Editor, Issue Papers Series, National Association of Counties, 440 First Street, NW, Washington, DC 20001.

EXECUTIVE SUMMARY

Much of the current debate about welfare reform is focused on the roles and responsibilities of state and local governments. The welfare reform proposals which are being made are likely to increase the roles of states and county governments in welfare program operation, especially in assisting individuals make the transition from welfare-to-work.

The purpose of this Issue Paper is to examine the development of welfare programs which focus on work and to determine their usefulness and benefit to welfare applicants and recipients and state and county governments, and to inform the reader about the range of program options that exist.

Of major consequence to this move toward welfare reform is the way in which welfare recipients are perceived. Many of the most basic ideas we have about welfare recipients are incorrect. For example, while it is true that some welfare recipients can work, fewer than 10 percent of all recipients would be subject to any work requirement, if current work requirements were implemented. Moreover, while it is true that a large number remain on welfare for extended periods of time, one-half of all recipients receive benefits for two or less years. Those who do remain on welfare for extended periods of time do so because they suffer from serious psychological and physical problems and other barriers to employment, and not because they choose to remain on welfare.

There appears to be general agreement that the greatest benefits are achieved by focusing attention on welfare recipients and their children who have been on welfare for extended periods of time. While it is true that it costs significantly more and takes significantly longer to serve long-term welfare recipients than others, it is also true that the largest cost savings accrue to the welfare system when this group is served.

Traditional mandatory Workfare approaches by welfare-to-work programs are giving way to more innovative approaches which seek to serve limited numbers of persons and which attempt to minimize mandatory participation requirements. Limitations are placed on the numbers served due to cost considerations and because of the recent recognition that other services in addition to job placement are needed if welfare recipients are to remain on the job. Among these are child and health care and transportation services. If these supportive services can be provided there is a substantial increase in the likelihood that the recipient will remain on the job and off of welfare.

Recent experiences with welfare-to-work programs demonstrate the importance of maintaining some, if not all, supportive services upon employment. Moreover, they demonstrate the need to develop programs with a variety of service options from adult basic education and remediation, thought to be the most important components of programs to serve welfare recipients, to job skills training. This can help insure an adequate level of service. The principal group to be served should be the hardest-to-serve since the greatest benefits are derived from placing these persons on jobs. Finally, mandatory participation should be avoided when possible.

WELFARE-TO-WORK:
OPTIONS THROUGH JOB TRAINING

I. INTRODUCTION

Much of the current welfare reform debate focuses on the roles and responsibilities of state and local governments for welfare-to-work program development and implementation. This is due, in part, to federal laws which give states:

- considerable discretion in developing welfare-to-work programs as demonstrated by programs in California, Michigan, Massachusetts, Minnesota and New Jersey, and
- responsibility for nearly half of all welfare program costs.

Various welfare reform proposals are being considered by policymakers. These include federal assumption of financial responsibility for the Aid to Families with Dependent Children (AFDC) program in return for state and local assumption of other programs; establishment of a minimum national welfare grant standard; extension of Medicaid benefits to those welfare recipients who obtain employment; implementation of national work experience requirements for all welfare recipients; and devolving all responsibilities for AFDC to the states. Most proposals leave the current welfare system intact. Proposed changes are only "effective tinkering" with the existing system. Only the Administration's proposal to cash out all benefits for use by the states as they see fit represents a major reform of the system.

Senators Arlen Specter (R-PA) and Daniel P. Moynihan (D-NY) have introduced legislation to promote the employability of "severely economically disadvantaged" persons. Their bill would authorize outreach and pre-employment services to severely economically disadvantaged persons by community-based organizations (CBOs) like Opportunities Industrialization Centers (OIC), the National Urban League, National Council of La Raza and 70,001. Among the outreach services which CBOs would provide are:

- Skills assessment;
- Registration of clients with Job Service; and
- On-the-job training.

Pre-employment training would include:

- Educational and basic skills training, including an eight week internship;
- Motivational training;
- Guidance and counseling; and
- Life skills.

This program would be implemented through an agreement with local service delivery area (SDA) private industry councils (PIC), public welfare agencies and local community-based organizations.

Representative Barbara B. Kennely (D-CT) has introduced the Family Reinvestment Act of 1987. This bill proposes to establish income supplements which would raise household incomes to a level equal with the "family living standard," the amount necessary to operate a household. Families covered by this program would continue to receive medical assistance, but would not be eligible for food stamps or low-income energy assistance. In addition, able-bodied adults would be assessed for educational, employment and income security needs, and required to participate in an individualized work-based program to meet these needs.

Senator Edward M. Kennedy has introduced the "Jobs for Employable Dependent Individuals Act" (JEDI) which would offer incentives to states for providing training and employment services to long-term welfare recipients.

The Reagan administration is developing legislation which would permit states, under a series of demonstration projects, to "cash out" all transfer payments and in-kind services to which welfare recipients are entitled and to use those funds to establish welfare-to-work programs. Minimum and maximum benefit payment levels would be established by individual states as would requirements for receipt of welfare payments and participation in the program.

Though these proposals represent only a small portion of those being raised, they underscore:

- the movement away from viewing the welfare system as an income maintenance program to an employment development program, and
- the importance of state and local involvement in and discretion over the design and implementation of welfare-to-work programs.

One purpose of this paper is to examine this new direction to determine its usefulness and benefit to welfare applicants and recipients and states and counties. Indeed, if Congress does opt for broader work requirements for welfare programs, individuals will have to re-examine the impact of welfare receipt on themselves and their families and states and localities will be forced to devote substantial attention and resources to this activity.

Whatever direction welfare reform takes at the federal level, there undoubtedly will continue to be considerable discretion left with state and local governments to develop welfare-to-work initiatives. If previous federal reform efforts are an indication, states and localities will retain a wide range of options when developing their welfare-to-work programs, the proportion and categories of recipients to be covered, and the types of employment related activities that will be emphasized.

A second purpose of this paper is to explore the range of program options that states and counties may select for welfare-to-work programs, to examine the information that is available on what works best in promoting the employment of welfare recipients, and to provide some useful models of state and county initiatives that incorporate the most effective approaches. The goal is to assist state and local policymakers and welfare program administrators in making more informed choices that are best suited to their local needs, and most likely to improve the ability of welfare recipients to increase their opportunities of becoming employed. This Issue Paper:

- Provides an overview of the makeup and needs of the welfare population and of current trends in welfare program operation and reform, and is designed to provide the factual background and framework that must be understood to make effective choices on welfare-to-work policies;

- Examines particular welfare-to-work options in detail, relying on several "model" programs that have been adopted, and identifies some of the most important "lessons from experience" that have been distilled from these experiments; and

- Draws on some "model" policies and program requirements that might be used in constructing an effective state or county welfare-to-work program.

II. WELFARE RECIPIENT CHARACTERISTICS AND PROGRAM TRENDS

There are significant misconceptions about welfare recipients. Among these are the beliefs that most, if not all, welfare recipients can work, but choose not to; that most welfare recipients are "dependent" upon their grant and remain on welfare for long periods of time; and that welfare recipients are a homogeneous group with similar problems and needs which can be addressed through a single program model.

While it is true that some welfare recipients are able to work, only a small portion of the total welfare population would be able to do so unless provided with adequate child care services. Two-thirds (7.1 million) of those on welfare are children or adults who are responsible for infant or child care.

Approximately one-half of all welfare recipients are considered long-term recipients (remain on welfare for two or more years), yet:

- One-half of all welfare recipients receive benefits for less than two years and their stay on welfare is tied specifically to temporary family or job crises.
- Many recipients have some work history and job skills and are capable of returning to work without any assistance once their family or employment crisis ends.
- Among those on welfare two or more years, a fairly large proportion suffer from a variety of physical or psychological disabilities.
- Those long term recipients who are able-bodied lack the basic work skills and employment histories to become employed without academic remediation, world-of-work and job skills training and work experience.

While it is true that all welfare recipients do share a common economic condition, the reasons for this shared condition are very diverse and the solutions to their problems are equally diverse. For example:

- Women who enter welfare after divorce or death of a spouse are far more likely to exit through marriage than those who were never married;

- Non-whites are less likely than whites to marry or reunite with their husbands;

- High school dropouts are less likely than high school graduates to earn their way off or marry out of welfare;

- Persons entering welfare due to earnings decreases generally exit due to rapid increases in earnings; and

- Those who earn their way off do so as a result of large, rather than gradual, jumps in earnings.

Researchers agree that long term recipients must receive the bulk of attention from welfare-to-work programs. In The Dynamics of Dependence: The Routes to Self-Sufficiency, Mary Jo Bane and David T. Ellwood state that it is this group which accumulates "the bulk of person years of AFDC receipt" and "the bulk of AFDC expenditures. . . ." But as Judith M. Gueron of the Manpower Demonstration Research Corporation (MDRC) indicates in "Work Initiatives for Welfare Recipients," it is also the group which registers the most gains--the largest increase in earnings--in employment as a result of participation in training programs.

Serving this group is very problematic. It is estimated that between 25 and 75 percent of all long term recipients, who can be classified as employable, are functionally illiterate and lack essential job skills required by employers. For this group the first and most essential type of work-related assistance is basic academic skills remediation. In fact, due to the substantial difficulties associated with meeting the needs of this group, numerous states and counties have limited the imposition of work related requirements to a portion of employable recipients or applicants. Those who are functionally illiterate receive other types of services such as remediation and job skills training. Few have attempted to cover all employable applicants or assigned all employable recipients to programs that are more substantial than registration for work and periodic job search.

Jurisdictions have tended to:

- limit coverage to new applicants (San Diego County);

- stagger the application of work requirements among different groups of recipients over a period of years (the plan for California's GAIN program);

- focus on voluntary participation since those who volunteer are most likely to be motivated to becoming employed (Massachusett's Employment and Training (ET) Choices program) or ;

- limit participation to welfare recipients in families where both parents are present (Aid to Families with Dependent Children--Unemployed Parent Program (AFDC-UP)) as in West Virginia.

These procedures have enabled jurisdictions to limit initial program costs and to focus efforts on those members of the welfare recipient population who are most likely to benefit from such a program.

Traditionally, Workfare programs (programs established under the Community Work Experience Program (CWEP)) have dominated welfare-to-work initiatives (39 states require Workfare in one or more counties and nine require Workfare statewide). The term "welfare-to-work", however, encompasses a broad range of training initiatives.

The advent of Work Incentive (WIN) Demonstration Programs and other types of experimental initiatives have changed substantially the way many state and local governments implement welfare-to-work programs. States have recognized that Workfare is only one element of a larger pool of initiatives that are available to implement welfare-to-work programs. Other initiatives which fit within the work requirement concept are academic remediation and job training.

While we recognize that the flexibility to alter welfare programs by county welfare administrators varies dramatically across the states, where there is flexibility county administrators may choose from a variety of program options or elements (all of which are employment related) to more precisely fit programs to the needs and characteristics of recipients, and the employment conditions and needs of their jurisdictions. The development of flexible welfare-to-work programs, also, has reduced the potential criticism that welfare-to-work efforts are punitive.

Aside from the lack of employment-related experience and educational attainment, it must be recognized that welfare recipients suffer other significant barriers to employment. These include the need for child and health care. Though child care needs lessen when children are school age, some assistance is still needed during after school hours. Most "welfare" children come from single parent homes, have at least one sibling and

live in high crime areas which put the school-age youth at substantial risk. The lack of adequate after school child care increases the risk. While existing welfare programs make some provision for child care (such as Title XX of the Social Services Block Grant Program) insufficient funds are available to support additional fiscal burdens that may arise when more stringent training, job search and work requirements are implemented. Additional federal, state and county funding of child care will be necessary if this population is expected to work. California recognizes this problem and has allocated an additional $170 million for child care services for GAIN welfare-to-work program participants.

Once employed, many former recipients are not eligible for health care insurance until their six month or one year anniversary. Some employers provide no health care coverage at all. Attention is now being given to providing private or public medical coverage to former welfare recipients making the transition to work. Some states have extended Medicaid benefits beyond normal client termination dates or have bought private sector insurance with public funds.

Welfare recipients are economically rational. Their decision to remain on welfare or accept employment generally is based upon practical considerations related to the provision of food, clothing, shelter and medical care for their families. Though upwards of 40 percent of all women, for example, who leave welfare remain poor after termination they do so for categorical reasons, generally, and less frequently due to income guidelines. They do not leave welfare voluntarily unless economic self-sufficiency is possible.

Those economic disincentives which mitigate against leaving welfare, such factors as loss of medical coverage and housing contribute significantly to the decision to remain on welfare. Moreover, placement of recipients in jobs does not guarantee that they will no longer be eligible for benefits. A minimum wage job (and the attendant reduction in welfare benefits) may still leave many recipients below the poverty line and within income eligibility limits. For example:

- A single mother of two working fulltime at the minimum wage earns $6,700 per year, 22 percent below the 1985 poverty level.

- Two and one-half million children lived in poverty in 1983, even though one parent was working fulltime.

- Approximately six million workers earned the minimum wage or less and did not make enough money to provide their families with basic necessities.

During the past decade the number of households headed by women in poverty has increased substantially. More than half of all children residing in female headed households live in poverty and 90 percent of households receiving AFDC are headed by single women. Women are far more likely than men to be poor. The poverty rate for women is higher than for men in every age group. What this means is that the special needs associated with poverty in female headed households must be factored into program policies and administrative practices. These include, but are not limited to, child and medical care, and the inability of jobs available to women to bring them above the poverty line.

Overall, the percentage (as well as the actual number) of people living in poverty has increased during the past decade. This is due, in large part, to increases in the number of children living in poverty. In 1984, three million more children than in 1979 lived in poverty. Fifty percent or 1.5 million were five years or younger. Moreover, not only were more families poor, but poor families were poorer. In 1983, 42.2 percent of all poor children lived in households whose incomes were lower than one-half of the poverty level, an increase of eight percentage points (almost 25 percent) over 1979 levels.

These increases, however, have not been coupled with increases in spending for welfare, despite the popular perception that the size of poverty programs, such as welfare, has been increasing to keep pace with need. The United States is not in the midst of a welfare explosion. Since 1975 there has been an increase of only 20 percent in welfare spending--less than the inflation rate for the period. Only Medicare, which is targeted to the needs of the aged and disabled, has increased in terms of real dollars. In fact, over the past 15 years AFDC benefits, nationwide, have decreased by one-third in terms of real dollars.

III. RECENT EXPERIENCES WITH WELFARE-TO-WORK PROGRAMS

Large numbers of state and county governments have experimented with welfare-to-work programs. In addition to model programs developed under the WIN Demonstration and other federal authorizing statutes, several states, including California, Massachusetts, Michigan, Minnesota and New Jersey, have adopted or are adopting statewide initiatives that are especially noteworthy. They move away from Workfare and encompass a wide range of employment-related program elements. Their orientation is to move recipients off of welfare and into meaningful work; to move recipients away from income security to security through employment.

A. Using Program Options:

The use of several programmatic options seems to work best. At the state level GAIN and ET-Choices offer:

- academic remediation;
- job search assistance;
- job skills training;
- vocational and adult education;
- grant diversion; and
- supported work.

GAIN also offers Workfare or "pre-employment preparation."

In California, Minnesota and Massachusetts, local welfare departments are expected to work with recipients to assess individual needs and to identify the types of assistance most suited to meeting needs. In California and Minnesota these activities are performed by the counties and in Minnesota, JTPA SDAs may work with welfare offices to provide employment training.

County efforts to aid welfare recipients obtain work are exemplified by San Diego, California and Baltimore and Wicomico, Maryland. The San Diego County welfare office offered recipients work experience (Workfare) and job search assistance. Job search included one day placement assistance at the welfare office followed by registration with the Employment Preparation Program (which replaced WIN). This was followed by three weeks of attendance at a job search workshop which included one week of orientation and two weeks of self-directed job search in a group setting. Job search coupled with work experience was available for those who did not find employment during the first three weeks. Individuals were required to work in unpaid community

work experience positions in public agencies or private non-profit companies, with monthly work hours determined by the size of AFDC grants. Recently, the San Diego County program has begun to offer a wider range of program options.

Maryland's welfare-to-work programs provided participants with diverse program options. In Wicomico County participants were eligible to receive:

- Pre-employment training for three weeks;
- Job search assistance for an additional three weeks;
- Unpaid community work experience (Workfare) for up to 13 weeks including a supplement to cover child care expenses; and
- Education and skills training including GED instruction and classroom job skills training.

In Baltimore County participants were eligible to receive an even wider range of services than in Wicomico County. These included:

- World-of-work orientation for one week;
- Job search assistance for two weeks plus direct job placement assistance, group job search skills workshops and intensive individual job search assistance when appropriate (for two months or more);
- Community work experience (Workfare) for 13 to 26 weeks;
- Education and training, including individualized tutoring, basic skills and GED instruction and self-paced computorized instruction;
- Classroom job skills training; and
- On-the-job training in the private sector.

The Manpower Demonstration Research Corporation, which recently completed a series of evaluations of different welfare-to-work programs throughout the country, found that combination programs of the type provided in Maryland were more effective in achieving the goal of aiding participants making the transition from welfare to work than comparable single option programs such as the one operated in San Diego.

B. Addressing Funding Problems:

Many welfare-to-work initiatives seek to pull together funds from several sources covering a wide range of job training and welfare programs, including AFDC, general assistance, WIN, and JTPA. This effort is based on the that these programs seek in one way or another to help unemployed or underemployed poor people become job ready and meaningfully employed. But even

this broad range of support is not adequate to operate an effective welfare-to-work program covering a substantial portion of employable welfare recipients. The Job Training Partnership Act programs, at current funding levels, can reach only four to five percent of those eligible for job training assistance. Even reaching this small portion of the eligible population means substantially limiting the length of each participant's stay in the program and the amount and type of assistance that can be provided. Funding of WIN and Title XX (child care services) has been reduced dramatically. These programs cannot meet adequately the needs of all those who are eligible to participate in welfare-to-work programs. There are insufficient federal funds available to operate effective welfare-to-work programs for even a portion of those who could be required to participate in these programs. To address this problem:

- The State of California allocated $170 million (for child care services) to support GAIN activities. In addition, GAIN will follow a staggered system of coverage, concentrating initial efforts on longer-term recipients and gradually increasing participation to cover other categories of recipients.

- Massachusetts provided nearly $21 million in additional state funds to support general program operations of ET-Choices and limited services only to those who volunteer.

- Some counties, such as San Diego, have followed state leads and added their own funds to increase the level of services available to participants and, as in Baltimore County, have limited participation by limiting the number of participants and focusing services on new welfare applicants.

States and counties which cannot add to the pool of financial resources will have difficulty operating welfare-to-work programs or will have to develop methods to keep overall program costs down without effecting overall results.

C. Serving the Hardest-to-Serve:

Welfare to work programs which assist the hardest-to-serve may realize the greatest program savings. According to Judith Gueron:

> The issue of how best to target scarce program resources is a complicated one. . . . Where the research

> findings seem to argue for a different direction than do traditional measures of . . . performance, such as job placement rates . . . the results . . . suggest that the impacts . . . are greater for enrollees who would be considered the most disadvantaged or least employable in terms of previous work record.

In other words, participation in welfare-to-work programs is recommended for those who need the greatest amount of education and job training assistance.

Long term recipients and their children have the greatest difficulty finding employment and getting off welfare. The Manpower Demonstration Research Corporation notes that small improvements in the hardest to employ job placement rate produces the greatest cost savings over time.

The Manpower Demonstration Research Corporation findings are consistent with those reached by other analysts of welfare-to-work programs. The report on the Supported Work Demonstration Program, one of the most successful initiatives to assist long term welfare recipients make the transition from welfare to work, indicates that after eight months of academic remediation and basic work skills training, 90 percent of participants found jobs and 75 percent of those were employed one year later.

While most welfare-to-work initiatives do not have the funds that were available to the Supported Work Demonstration Program ($8,000 per participant), the results do show that an initial investment in the hardest-to-serve welfare group can result in improved placement and retention rates, and program savings.

For the majority of employable recipients who have work experience or job skills, and are likely to be among those that find employment and leave the welfare rolls within a year or two, it makes more sense to limit efforts to relatively inexpensive job search activities.

D. Linking with Education and Job Training

The California legislature prescribed that every GAIN participant who lacks basic mathematics and verbal skills or a high school diploma shall receive remediation and GED instruction. This policy was based on:

- the recognition that a substantial portion of welfare recipients have basic literacy problems and
- the understanding that this type of deficiency constitutes the most serious barrier to employment.

Ideally, the job of meeting the needs of welfare recipients should not be the sole responsibility of state and county welfare departments. Linkages to existing education and job training programs are one way states and county governments can maximize services to welfare-to-work program participants. What this means, in practical terms, is that dropout prevention and other forms of early interventions aimed at the educational and job needs of at-risk youth can be a highly effective component of a well-rounded welfare-to-work effort. The more effective the linkages can be between existing job training programs and welfare-to-work initiatives, the more likely it is that welfare recipients will participate in, and benefit from, the training opportunities they provide.

It is not enough to mandate job training or education resource targeting toward welfare recipients. If links to job training and education opportunities are to impact welfare recipients, the effort to coordinate the relationship and interaction among these programs must be substantial and occur at the local level under the direction of local elected officials.

Several states, notably South Carolina, have taken steps, using the Governor's discretionary funds under JTPA, to help plan and develop a coordinated services delivery system. Others, such as California's GAIN program, have drawn upon funds and program elements from all three program areas. These services will be available to welfare-to-work program participants under an integrated and unified administrative structure. More typical, however, is the case of Virginia, where some initial steps recognizing the need for better coordination were taken, but a procedural and policy framework for achieving closer cooperation among the three program areas has not been developed.

At the county level, improved coordination, especially between the job training and welfare departments, can promote integrated service delivery. The Job Training Partnership Act presents an excellent opportunity in this regard. Because its funding can be used to leverage other funds, such as welfare training fund, greater emphasis can be placed on serving welfare recipients in JTPA training programs without increasing the JTPA per participant cost, a performance standard which SDAs must meet. Adult and vocational education programs and funds can be similarly targeted.

E. Supportive Services

When possible, states and counties should insure that child and health care and transportation services are available to participants. California's GAIN program mandates "paid child care

[to] every participant with a child under 12 years of age" during participation in GAIN and "for a transition period of not less than three months" after placement in a job.

To reduce the need for GAIN participants to "front" the costs of child care and other services and to reduce income disincentives to effective program participation, the California legislature mandated that "payments for supportive services (including child care) . . . shall be advanced to the participant, whenever necessary . . . so that the participant need not use his or her funds to pay for these services."

Montgomery County, Maryland has adopted an innovative approach to meeting the health care needs of welfare recipients who are likely to face the loss of Medicaid coverage when they accept work. They have contracted with a health maintenance organization (HMO) to administer health care coverage for up to one year for newly employment recipients. Gradual assumption of the continued cost of enrollment by the former recipients is provided for, with contributions from employers also encouraged.

This concept is being considered by Congress as part of their welfare reform proposals. State and county governments may wish to consider adopting extended health care protection as part of their own welfare-to-work initiatives.

Some states have developed transportation pools to supplement public and private transportation services which do not service areas of expanding employment. This type of assistance is most common in those areas where suburban job growth is greater than inner city job growth or where distances between employment centers are so great that only private transportation is feasible.

F. Participation Requirements

Another issue that must be resolved before the implementation of any welfare-to-work program is who must participate. The simplest solution to this problem is to make participation voluntary, as in Massachusett's ET-Choices. However, by doing so those who would benefit the most from program participation--the hardest to serve--might opt out because of concerns about their ability to succeed. Where mandatory participation is required, program operators must determine what reasons for nonparticipation shall be considered sufficient or of "good cause". Special circumstances such as illness, family obligations and the like are generally considered to be good cause reasons for non-participation. Where such good cause reasons exist, participants should not be sanctioned for non-participation.

Disputes over "good cause" are not uncommon in mandatory programs. When these disputes are common, programs are prone to the criticism that their principal aim is to force recipients off welfare, rather than provide job training and employment.

The best defense against such charges is to develop very clear and specific standards on who must participate and what constitutes good cause for non-participation. Many of the standards regarding good cause and the related issue of conciliation or settlement of disputes about non-participation are governed by AFDC statutes and regulations.

IV. CONCLUSIONS

The underlying thesis of this Issue Paper is that the traditional welfare system does not assist adequately client efforts to make the transition from welfare to work. This proposition is supported by the emergence, as documented in this paper, of a number of state and county efforts to reform the welfare system through implementation of services which assist clients in making the transition from "dependency to self-sufficiency" through the transition from welfare to work.

Contrary to popular belief, and contrary to many of the recent discussions in the literature about low-income persons, welfare recipients do want to become self-sufficient. They want to work, to support their families, and to provide their families with a middle-class lifestyle. They do not want to continue to receive welfare payments and in-kind services indefinitely.

Most recipients seek and obtain welfare benefits because they require assistance for relatively short periods of financial and family turmoil. They want to leave welfare as soon as the crisis is resolved. But the welfare system, as it is structured currently, mitigates against client self-sufficiency. On the one hand, the types of services which most recipients need to make the transition from welfare to work are not available. These include: remediation, adult basic education and classroom and on-the-job skills training. On the other hand, the on-going support systems which welfare recipients need when making the transition from work to welfare are not provided. These include: transportation assistance, child care and medical benefits.

Presently, the nation's lawmakers, state governors and legislators and county elected officials favor welfare reform. This may be because of grave concerns over the budget deficit and the belief that welfare reform might help reduce the deficit and improve the budget picture. It may be also because of a belief that the welfare system is not meeting the true needs of either its clients or government. On the one hand, it does nothing to increase the likelihood that recipients will opt for leaving welfare in favor of employment as it operates generally. Rather it reinforces notions of failure and dependence among clients. On the other hand, it does not benefit government when it is used for anything other than as a temporary measure to aid families meet temporary family and financial crises. Its on-going use as a family support mechanism when not coupled with incentives to achieve self-sufficiency is detrimental to those individuals the

system seeks to help--by pushing them outside of the economic mainstream--and to the society which seeks to aid these individuals--by creating a class of individuals who become dependent upon public assistance.

There are a variety of program models which federal lawmakers and state and county elected officials may draw upon if they want to reform the welfare system to the benefit of clients and government. These programs recognize the diversity of the welfare population and the diversity of their needs, seek to meet the broad range of needs through various kinds of treatments and interventions, and provide for client needs through carefully devised and systematic programs.

Among the most important findings are:

- Welfare-to-work programs which utilize a variety of program options are more successful than those which use a single program option;
- Welfare recipients are a heterogeneous population with diverse needs which can be met only through a variety of program options;
- Current federal, state and local funding levels do not permit implementation of substantial welfare reforms;
- Additional federal and state support will be necessary if effective welfare-to-work programs are developed;
- Short term welfare recipients are likely to leave welfare without the imposition of work requirements and without substantial job search assistance; or
- Services targeted toward long term welfare recipients who are the hardest to serve are the most expensive services, but will produce the most positive outcomes and the greatest program savings;
- Basic academic skills remediation is the single most effective type of assistance to long term welfare recipients and is most likely to improve their long term employability;
- Improved coordination among job training, welfare and education programs are necessary for program success;

- Adequate child care and health insurance must be provided to persons making the transition from welfare to work;

- Welfare-to-work programs should not be punitive, such as is the case with Workfare, but should be designed to assist recipients obtain work; and

- Welfare-to-work programs which meet these criteria are likely to have very favorable implications for families in poverty.

The various programs discussed in this paper provide excellent examples of how these findings have been incorporated into effective welfare-to-work programs.

ABOUT THE AUTHOR

Morton H. Sklar is an attorney and consultant. He specializes in welfare, job training and human rights issues. From 1979 through 1985 he was the director of Jobs Watch, a public interest group engaged in monitoring, clearinghouse and support activities on behalf of local communities and poverty groups. He is founder and chair of the American Bar Associations's Subcommittee on Human Rights Education and the Washington Helsinki Watch Committee, and is an adjunct professor at the Catholic University Law School.

Currently, Mr. Sklar is working with groups in California and New York on the implementation of statewide welfare-to-work programs and has just completed an evaluation of Job Training Partnership Act programs in Virginia--the first statewide analysis of JTPA that has been conducted. He is heavily involved with the welfare-to-work reform proposals currently before Congress and under review by such groups as NACo, the National League of Cities, the American Public Welfare Association and the Advisory Commission on Intergovernmental Relations.

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